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Household Accounts and Budgets

*Excerpts from 1930 Annual Reports
of State and County Extension Agents*

Compiled by

Mary Rokahr and M. C. Wilson



UNITED STATES DEPARTMENT OF AGRICULTURE

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HOUSEHOLD ACCOUNTS AND BUDGETS*

Excerpts from 1930 Annual Reports of State and County Extension Agents

Compiled by
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and
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Extension Studies and Teaching

Contents

| | Page | | Page |
|----------------------------------|------|-------------------------------|------|
| Kansas | | Colorado | |
| Home-management specialist..... | 3 | Conejos County..... | 8 |
| Nebraska | | Garfield County..... | 8 |
| Home-management specialists..... | 4 | Illinois | |
| Ohio | | Vermilion County..... | 8 |
| Home-management specialist..... | 6 | Washington | |
| South Dakota | | Home-management specialist... | 10 |
| Nutrition specialist..... | 7 | Alabama | |
| | | Talladega County..... | 10 |

*No attempt is made to cite in this circular all references to household accounts and budgets. Only selected extracts showing typical methods employed and results obtained in a number of States are included. Because of differences in the terminology used in various States and other local conditions, the information contained herein should be reviewed by the State subject-matter specialist concerned before any part of it is incorporated in the extension plans for the State.

DISTRIBUTION: One copy of this circular has been sent to each State extension director; State and assistant State leader in home demonstration work; county home demonstration agent; specialist in home management and furnishings; State agricultural-college library; and experiment-station library.

Introduction
by
Mary Rokahr
Home Management Specialist

Various situations throughout the United States have brought economic phases of the extension program to the fore. The keeping of accounts and the setting up of budgets have always been considered valuable ways of helping farm people to learn from whence their money comes and whither it goes. Record books for keeping accounts were published for the first time during 1930 by several State extension services to meet the growing interest in the application of business methods to home making. The excerpts from the annual reports of extension agents that follow tell how extension agents are developing this work and of some of their successes and failures.

The objectives of an extension project in household account keeping may differ under diverse circumstances, but the primary objective should always be to help the farm family procure for the cash it has to spend and from the farm resources it has available the best possible living. A second objective that every extension worker these days may well afford to keep in mind is, that from these accounts information will be forthcoming which will aid materially in learning the economic needs of farm people.

Project work in household account keeping should not be undertaken lightly. The home maker who desires assistance with account keeping will need much more personal supervision from the county extension agent than is ordinarily given to other extension activities. The number of records that can be analyzed carefully enough so that the analysis means something to both the account keeper and extension worker is small, unless there is extra clerical or research assistance.

In spite of these limitations the reports that follow indicate the value of this approach in helping to give the farm family a more comprehensive appreciation of the economics of the household. Extension agents should not hesitate to encourage during the next few years account keeping as one solution of money-management problems.

There are other approaches to the solution of economic problems of the household, such as information on wise purchasing, discussions of money and family relationships, and training of children in money management. Account keeping however will probably remain a basic solution.

If it is decided to undertake a project on account keeping it will be well for the extension agent to: (1) Keep accounts herself; (2) start with a few cooperators and from them learn values and the best extension teaching methods; (3) make careful analysis of the results and give publicity to the findings; (4) enlarge the number of cooperators until the goal set has been reached; (5) translate the findings into the general extension program.

Kansas.

Keeping household accounts requires constant attention, and does not give the impetus of regularly presented project work to help in keeping up interest throughout the year. For this reason many women who are interested in this phase of work do not complete their year's record. However, it is a group of the most forward-looking farm bureau members who cooperate in this project. More than 400 account books were issued in 1930.

The subject matter in household accounts was presented to the women who were interested in keeping records rather than through the leaders. It was felt that this method would be the most effective, since this work does not claim the interest of a large percentage of the unit members, and because the women are slow to discuss their financial problems with their neighbors.

In addition to the meeting for instruction in account keeping held in December or early in January, plans were laid for definite follow-up work during the year by the home demonstration agent. It was suggested that in each case she give special attention to accounts through club meetings and personal visits during the garden season and harvest season. It has been found that the greatest need for record keeping occurs at that time.

An analysis of the accounts was made by the specialist when a complete record for the year had been kept. These records are always for the year just past, but the information gained from them is valuable in planning for the present year's spending. One of the values gained from these records is an idea of the relation between the amount of goods purchased and goods produced, emphasizing the importance of the goods furnished by the farm in providing the living for the family.

The account books are analyzed in the county where a sufficient number are completed to warrant a visit by the specialist. In the letter of analysis which is written, the specialist makes recommendation for changes in expenditures which might be beneficial another year. Thirty-four books were analyzed in 1929.

Riley County was the only county where enough books were completed to make a summarization school worth while, there being 10. The average amount spent by each family under the various classes of expenditures was used for the basis of comparison. The following report was taken from the Riley County annual report and describes the use made of the records completed:

"Home accounts is a phase of the household-management project that is carried on with individual cooperators. In 1929, 10 books were completed and sent to Miss Latzke for analyzation and summarization. About the time the books were being summarized in March, the farm-management banquet was held, and at this meeting one of the household account keepers asked how long it would be before the women could likewise have the figures from their books made into a chart to study and have sheets on which

Kansas (Continued).

to plot their expenditure curves. The result was a most enthusiastic meeting with 18 cooperators present. Miss Latzke explained the figures on the chart and each woman who completed her book plotted her expense curve.

"A meeting of this type is most worth while because the women analyze their expenditures and they realize the value of the products produced and utilized on the farm. One woman remarked, 'You know I thought I wasn't spending hardly any money this year and here my total yearly expenditure heads the list.' These women know where their money went." - Marguerite Harper, Home-Management Specialist, Kansas State Agricultural College, Manhattan.

Nebraska.

Methods of Keeping Home Accounts. This demonstration is presented to leaders in late November or early December in order that they may hold local meetings before the first of the year, then all home makers wishing to keep accounts start on January 1. To open discussion of "Why keep accounts," five different thought questions are handed to leaders or to members at the local meeting. These questions are to be answered by the women in one sentence, and then discussed.

As the demonstration is given, each leader, or, in the local club, each member makes for herself a sample entry sheet as each type of items is explained. This plan is found to be necessary in order to make the women familiar with the form. One page of the home-finance record sheet shows the complete record of income, expenditure, and home products at the close of each month.

A set of forms adequate for one month is supplied to every member of every club for use during January. All women start keeping records on January 1, following the December meeting. The work is so divided between the two leaders as to make one responsible for explaining the income and expenditure items while the other shows the value and method of keeping a record of home products used.

The music project plays a very important part in this meeting when it is used for change and variety after the first leader has given details of income and expense record keeping.

At least 30 minutes of the January leaders' training meeting and the local club meeting is devoted to answering questions and placing emphasis on certain phases of home record keeping. The forms for a second month's record are distributed to all who are interested in keeping up the record work.

At the February meeting, the exact number in each club who wish the third month's forms for record keeping is determined and that number of forms are given to leaders for their members. This makes it possible to give all members an opportunity to learn how to keep records and to start with the keeping of home accounts, but the forms are afterwards supplied only to those who wish to keep up the work. At the time of the third

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Nebraska (Continued).

leaders' meeting the exact number who intend to continue home records for the remainder of the year is checked and forms, with covers, to be used for the nine remaining months of the year, are given out to leaders to be distributed to those members who wish to continue.

Circular 1127, "Directions for Keeping Home Finance Records," is written in such a way that an example entry can be made of nearly all items at the demonstration meeting and a typical monthly summary completed. The complete record for the month is made and summarized on one sheet. A successful device in the form of a home bulletin board has been used for making it convenient for each woman to tack up the record forms at a convenient place in the kitchen and thus to keep an accurate daily record. The difficulty for leaders and many members to obtain a home bulletin board was realized, and a solution was found in procuring through the cooperation of a lumber company composition boards cut to the convenient size of 2 feet by 2 feet. These boards are supplied to leaders through the courtesy of this company at the cost of only the freight charges. The boards have served their purpose very well, and to quote from the report of an account keeper of Furnas County, "If it were not for the bulletin board I could not keep my records accurately because I would not always go to the desk and get out the book when I think of items to be recorded."

Home-account bulletin boards distributed:

| | |
|-------------------|-------|
| 1928-29 | 500 |
| 1929-30 | 600 |
| 1930-31 | 1,000 |

The "half way mark" or six months' analysis meeting is held in all counties where record keeping is started in January. Not only leaders but all members keeping home accounts may attend this meeting. The aims of this meeting are to make clear any puzzling features concerning items to be entered, to assist if necessary in bringing the grand total up-to-date for the first six months, to show some of the benefits of record keeping revealed by a summary of 25 yearly books of the preceding year made in February. At this meeting each woman realizes that her problems are the common problems of many others and that by studying together much help is obtained.

At the opening of the six-months' analysis meeting in Hall County this question was put to all women who attended: Why have you kept up these records for six months? The various responses follow:

To cut expenditures; to make a study of spending; to know where money goes; to determine total amount of home products used; to experiment; to be a loyal project leader; to determine the amount of income from my efforts in poultry, canning, and garden work (response made by a newly married home maker); to change the minds of some members of the family as to what the farm contributes to the living; to settle the argument concerning tobacco and silk hose.

Nebraska (Continued).

A home-account circular letter was sent to the 1929 group of home-account keepers in December, to tell them of the opportunity of sending in their year's records for summarization.

A summary and tabulations were made for 25 complete books, which were sent in during January.

A March letter accompanied the books and summaries sent back to the owners.

A May letter gave timely information.

A June letter gave plans for the six months' analysis meeting in the 1930 group of counties.

A September letter gave timely information.

An October letter included questions to which a fairly large number of replies were received.

A December letter gave plans for the summarization meeting to be held and for the sending in of books for summary and analysis. A form for necessary information to use in making the yearly summary of a book was included in the letter. - Muriel Smith and Leona S. Davis, Home-Management Specialists, College of Agriculture, University of Nebraska, Lincoln.

Ohio.

Farm Household Accounts. The goal is to have 35 counties undertake this work under the supervision of an extension agent; to have 100 families plan a budget based upon the previous year's household accounts; to organize a group in the counties where now scattered families are keeping accounts; to have publicity given to the results obtained, in order to interest extension agents and farm families in counties where people are not yet keeping accounts.

The home-management specialist met groups of farm women in November and December to teach them how to use the household-account book which supplements the farm-account book. In January, February, and March, she met the groups that had kept accounts for a year and helped them to summarize and study their accounts. The interest in this work is growing steadily.

In 1930, 720 farm women started keeping household accounts. Of this number 48 are using budgets. One hundred and forty-eight women who kept accounts during 1929 met the home-management specialist for the purpose of studying and summarizing their accounts.

Ohio (Continued).

The president of one club whose members are keeping accounts says that she and her husband are delighted with the results they are achieving. They have two children, one 3 and one 6 years old. The husband had several operations and a long hospital experience last year, so the family was burdened with debt until they felt almost hopeless. At the end of March they had matters so adjusted that they expected to be clear of debt by the end of the year. After keeping accounts for two months they saw that they were spending too much on entertaining, so they cut down on that. The woman concerned used to keep a maid, but now she is doing all of her own work, and says she enjoys doing it because she feels that she is helping to get somewhere with her financial program. She says her husband cooperates in every way. - Thelma Beall, Home-Management Specialist, College of Agriculture, Ohio State University, Columbus.

South Dakota.

In Brown County 19 women started accounts as results of the farm and home economic conferences, the idea being to procure more accurate facts on which to base their community program at the second farm and home economic conference. The surveys preceding the farm and home economic conference have been particularly successful in arousing the interest of the people in a minimum standard of living for the farm home and its cost. The results obtained from this survey have been better than we had expected. The number of homes reported through the surveys has averaged from 90 to 180 per county.

At the farm and home economic conference the home problems that have been repeatedly indicated as of vital interest and in need of study by the home maker are:

- (1) The relation of cost and quality in the purchase of home equipment, furnishings, clothing, and food products.
- (2) The length of service to be expected of home furnishings and clothing as a basis for planning replacements in yearly expenditure.
- (3) The care and operation of equipment and the care of clothing.
- (4) The relation of factors contributing to family unity and personal growth, their cost and its relation to the total family budget.
- (5) The relation of quantity consumption, balanced diet, and cost. - Susan Z. Wilder, Nutrition Specialist, South Dakota State College of Agriculture and Mechanic Arts, Brookings.

Colorado.

That farm home accounts should be kept during 1930 was emphasized by members of the farm-home committee who gathered to discuss problems pertaining to the farm home during the fourth annual San Luis Valley economic conference held at the Adams State Teachers College, February 28.

The committee adopted as its standard the amount of \$1,356 as the expenditure for the household during the year.

The budget was apportioned as follows: Groceries, \$360; clothing, \$450; fuel, \$100; lights, \$30; health, \$50; education, \$100; church, \$50; recreation, \$50; home furnishings, \$100; personal, \$66; total, \$1,356.

Following the economic conference there was a demand for assistance with home accounts. Twenty demonstrators were procured, 10 of whom were Conejos County residents. - Marie Neff, Home Demonstration Agent, Conejos County.

The home-accounts project was started in January, 1930. At that time 28 women from 5 of the home-project clubs enrolled as home-account demonstrators. They received home-account books furnished by the State Agricultural College of Colorado.

The demonstrators of Elk and Canon Creek clubs held one joint meeting for special instruction in the keeping of accounts. These demonstrators were given imaginary accounts covering a 1-month period. Only 14 of the 28 completed, but several of the others kept accounts for a short time and felt that home accounts should be kept in every home.

The reports sent in indicate that the greatest difficulties were: Not having a definite time to make entries; not being able to estimate value of home-grown products which were used; and not being able to separate home and farm accounts. One demonstrator favors combining farm and home accounts in one book. All of the demonstrators reported that they were surprised to learn the value of foods produced on the farm and that knowledge will tend to encourage more home production of foods. - Gladys Bradley, Home Demonstration Agent, Garfield County.

Illinois.

1. Objectives.

- A. To teach better and more adequate spending of money.
- B. To give the women a true picture of their income and outgo.
- C. To find out what income is provided through the use of home-grown garden, poultry, and dairy products.

2. Number of Cooperators - 19.

3. Procedure.

- A. Length of project one year.

Illinois (Continued).

3. Procedure (Continued).

B. Topics discussed and by whom.

1. Mrs. Ruth Freeman - home-accounts specialist.

a. Preliminary account keeping.

Use of the account book.

How various items are entered.

Survey of other account keepers.

b. Account keeping one month later.

Use of vegetable, poultry, and dairy
weekly record.

Checking account books to see if entries
are correctly made.

c. Individual visits six months later to check
results and troubles.

C. Enrollment was obtained through publicity in home bureau.
A general meeting was called for those interested. En-
rollment was taken.

D. Dates and place of meeting.

1. February - Y.W.C.A.

2. March - Y.W.C.A.

3. September 15 and 16 - 16 individual homes.

E. Methods.

1. Each member enrolled has her individual account book.
Members are to keep as accurately as possible an
account of all income and outgo - receipts and
expenditures - in their farms or homes.

The last meeting, to check results, will be held in
March, 1931.

2. Home Adviser.

Arranges for meetings.

Procures appointments.

Procures necessary materials.

Procures reports.

3. Specialist.

Gives the work directly.

Holds four meetings during the year.

Sees that the members enrolled are keeping the accounts.

4. Results.

The women are finding some definite helps.

The women are finding that the amount of money spent
for gasoline, chick feeds, etc., is surprising when
compared to the return realized. Out of 20 cooperators

Illinois (Continued).

4. Results (Continued).

11 are still keeping their accounts. Definite results will be tabulated in March, 1931. - Luro Jane Rankin, Home Demonstration Agent, Vermilion County.

Washington.

Household Account-Keeping Project, Clallam County. "At the leaders' meeting in February the specialist explained the household accounts and showed how to work the sheets as designed by the extension service. Six women volunteered to keep these account sheets for a period of one year. Since that time many other women have made requests to have these sheets and have become interested in the project. Many women find it somewhat difficult to get all members of their families to set down items that are purchased day by day, and this makes it hard to get accurate records. The agent finds that although many women do not set their accounts down in tabulated form, they do have an idea in mind of what they are budgeting for the year. With some persuasion and assistance these women can see the value of working on a definite account. The agent has checked with the six women during the past nine months and some definite leaders will be available for this household-account work this year."

From Lewis County we read: "Six women are keeping household accounts and have kept them since January, 1930. The agent made monthly visits to help these members so that they did not become discouraged. This is promised to be 100 per cent completion."- Gladys Gallup, Home-Management Specialist, State College of Washington.

Alabama.

In 1930, keeping household accounts was tried out in Talladega County for the first time. Fifty women made a brave beginning, 36 of whom had never kept accounts of any kind before. Forty-three of these women have reported accounts kept throughout the year. One club woman, who had been keeping records of her sales for years but had not kept up with what was spent or used at home, says, "I believe I am about as busy as any woman in Talladega County, and I don't have any money to spend on luxuries either, but I thought that was all the more reason why I should keep strict account of every penny received or spent, and so make them go as far as possible. By keeping a record of my sales I have improved my whole house; built a new kitchen, put in a sink, changed the interior, and added a screened back porch. I have been able to do these things because my accounts have shown just where I stood all of the time and have enabled me to look ahead and know just what would be needed for living expenses out of what I earned. I earn my own money by my own labor from dairy products, chickens, eggs, garden products, and curb-market sales. All of these things I care for and manage myself. This year I have bought three cows,

Alabama (Continued).

remodeled my dairy barn, paid for cow feed, clothing for the family, all expenses of the house, and helped to buy things needed for running the farm. I am now planning ahead, setting my goal, and saving my pennies for a windmill in order to have water in my house and dairy."

Our first trouble in keeping accounts was finding a suitable form. Each woman had to work out a form to suit her needs, and at each meeting some time was spent discussing this. The leaders brought their account books to the leadership schools, where their problems were again discussed. Finally a blank was worked out with the help of Miss Pickens, home-management specialist, which she had typed and sent to the women to try out. This they did for one month and found the form satisfactory. This form has been worked into a book which has been printed and will be used by all of the women of the State next year in their project work of keeping accounts. - Harriet E. Plowden, Home Demonstration Agent, Talladega County.



